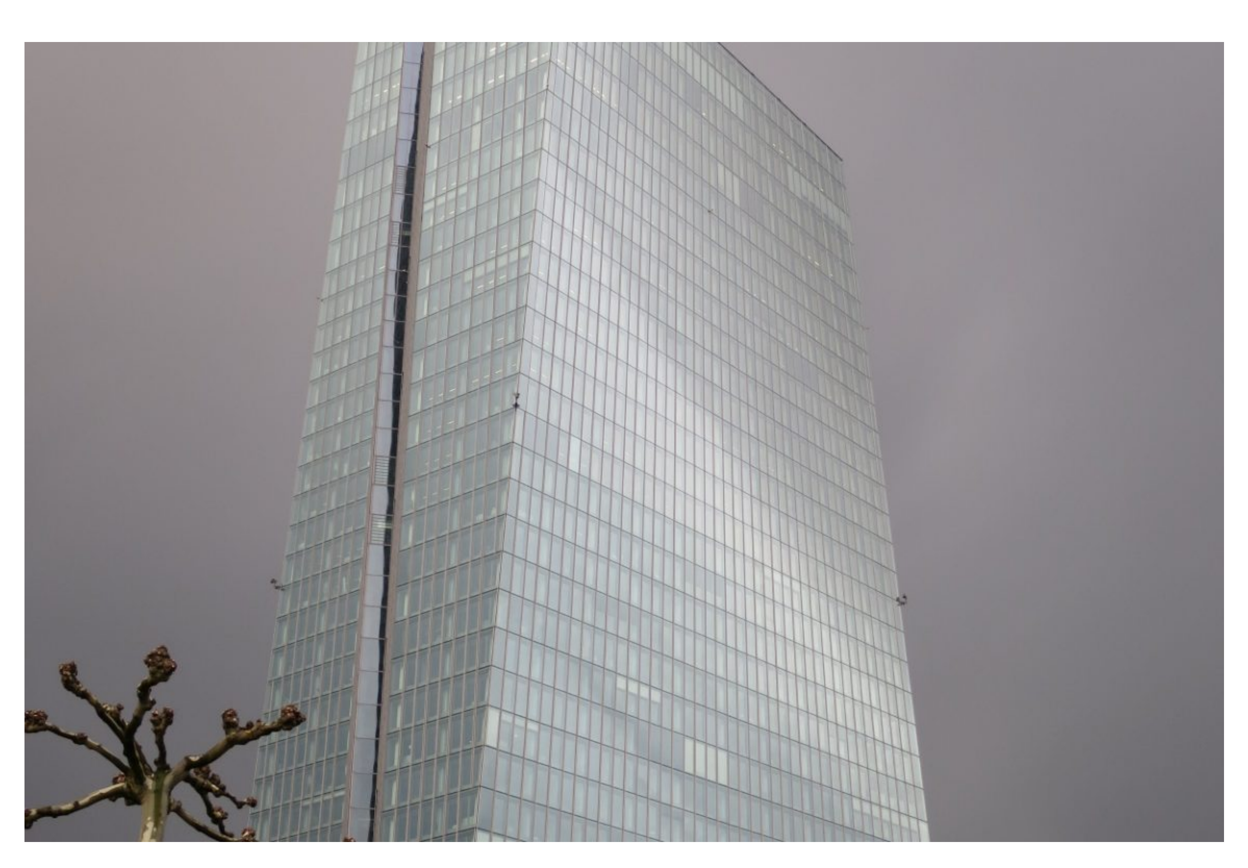






JOHN MILIOS 2022-02-11

HETERODOX ECONOMICS VIS-À-VIS CRISIS AND FINANCE.SPECULATION OF THE 'ABSENTEE RENTIER' OR MECHANISM OF DISCIPLINING SOCIAL ACTION?

ECONOFICTION CAPITAL, DERIVATIVES, FICTITIOUS CAPITAL, FINANCE, KEYNES, MARXISM, RENTIERS

The 2007-2008 financial crisis is without precedent in the post-war period, a fact acknowledged by the majority of economists. At the same time, the crisis is a 'marginal moment' which unveils and helps us rethink the workings of contemporary capitalism. The

latter is mostly grasped under the term of financialization in relevant discussions.

Recent heterodox literature is dominated by a single and persistent argument. The argument2 is that contemporary financial liberalization should be approached as a process in which the financial elites and financial intermediaries, i.e. the absentee financial proprietors or contemporary rentiers in the Keynesian terminology, have a leading role in working out the details of the neoliberal form of capitalism. Writing in the mid 1930s, Keynes (1973: 377) predicted the eventual extinction ("euthanasia") of the rentiers "within one or two generations". Many present-day Keynesians portray the developments of the last decades as the return of the rentiers three generations later to take over the economy. Neoliberalism thus amounts to the "revenge of the rentiers" (Smithin 1996: 84, coins this phrase) over the "industrial community" of managers , technicians and workers.

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